

## The Washington Merry-Go-Round

**Blumenthal's Name in Strobel Case**

By Drew Pearson

When this column first disclosed, Sept. 1, that Peter Strobel was operating his own private engineering firm while handling building contracts for the Government, Strobel wrote a letter of denial.

However, much of the information published in this column has now been confirmed under oath in hearings conducted by forthright Congressman Manny Celler, Democrat, of Brooklyn. Here is more on Strobel's interesting operations:

One name that crops up in checking his activities is Morton Blumenthal, former secretary to Herbert Hoover. Blumenthal has powerful connections among Republicans and his name keeps popping up around Washington in connection with Government contracts.

He was close to Strobel's engineering firm, Strobel & Salzman, and suggested deals which would be helpful. In return they tried to help him.

For instance, on Jan. 4, 1953, Blumenthal dropped around at the New York office of Strobel's firm and talked both with partner Joseph Salzman and Sol Schwarz, business manager. He dropped a friendly tip that they see the architectural firm of De Young & Moscovitz as soon as possible.

Schwarz and Salzman waited no time. Next day, Jan. 5, they visited De Young & Moscovitz, who spoke of a contract for drawing the structural plans for the 112th st. New York City housing project.

**Very Active Partner**

Partner Strobel was then in Washington supposedly devoting all his time to his country. However, Schwarz, sent him a report on the talk, adding:

"So far as De Young & Moscovitz are concerned, I told them we were more interested in a private job rather than one for the city or the state..."

Apparently this was wise strategy; for four months later they made a deal with De Young, Moscovitz and Rosenberg to participate in the construction of the New York City Fashion Institute. Most Blumenthal had helped out on this one and the promised fee was \$30,000.

**New Spy Headquarters**

This money, however, was relative peanuts. Much more important in Washington was the construction of one of the biggest buildings contemplated by the Ike Administration, the new Central Intelligence or CIA headquarters. This building to house the spy activities of the United States was to cost \$46 million.

To build it, Strobel sent the CIA a list of 11 "outstanding" architects. Of the 11, 6 turned out to be Strobel and Salzman clients. These were: Urbahn, Brayton and Burrows; Kelly and Gruzen; Harrison and Abramovitz; Eggers and Higgins; Shreve, Lamb and Harmon; and Strobel's brand-new client, De Young, Moscovitz and Rosenberg.

This was a big deal. Whoever landed the architect's contract would get a fee of \$2 million. CIA Chief Allen Dulles looked over the list of architects and wrote a letter to GSA Administrator Ed Mansure Aug. 3, 1955. "It appears Harrison & Abramovitz is at this time in a particularly good position to undertake this work. I personally have known Mr. Wallace Harrison for many years and believe that he, as well as his partner, is particularly qualified to deal with certain of the specialized problems involved in a building for CIA."

Therefore, Dulles concluded "I should like this firm to perform the architectural and engineering services for this construction."

On Aug. 5, Strobel apparently began to realize that he might be in trouble on conflict of interest. One week before, he had recommended De Young & Moscovitz among 11 firms for a \$2-million architects' contract. His own firm in return had received a contract from De Young & Moscovitz.

So on Aug. 5 Strobel's partner, Salzman, wrote a letter to De Young & Moscovitz withdrawing from their \$30,000 job.

On Aug. 12, just a week later, De Young & Moscovitz were rewarded. They were notified that they would share as "second party" in architectural work on the CIA building.

The reward, however, didn't stick. Allen Dulles had his own ideas about who was going to design his building. The design was given to the firm of Harrison & Abramovitz on the architectural-engineering contract for the Central Intelligence Agency's building, there is no foundation whatsoever for your statement in your letter to Mr. Moscovitz that his firm had been selected by the Central Intelligence Agency."

That ended that.

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